

In their quest to reach budget balance by the year 2002, the majority seeks to reduce Government spending by an arbitrary \$894 billion over the 7-year period.

Over half of the saving—and by far the largest single component—would be \$452 billion in reduced spending for the Federal medical programs: \$270 billion would be realized from reduced spending on Medicare, and \$182 billion from Medicaid.

While protracted cutbacks may be needed to assure solvency over the long term, there simply does not seem to be justification for reductions of the proposed order of magnitude in the time-frame of the next 7 years.

I found particularly persuasive in this regard the recent testimony of the Secretary of the Treasury, Robert Rubin. Speaking in his capacity as managing trustee of the Medicare hospital insurance trust fund, Mr. Rubin stated:

Simply said, no member of the Senate should vote for \$270 billion in Medicare cuts believing that reductions of this size have been recommended by the Medicare Trustees or that such reductions are needed now to prevent an imminent funding crisis . . . Nonetheless, the Majority is asking for \$270 billion in Medicare cuts, almost three times what is needed to guarantee the life of the Hospital Insurance Trust fund for the next ten years.

The Secretary went on to observe that the \$270 billion in reduced Government spending would be accomplished in part by increasing costs to beneficiaries of the Medicare part B program, even though such increases do not contribute to the solvency of the Part A Hospital Trust Fund.

"In this context," Secretary Rubin stated, "it is clear that more than \$100 billion in Medicare funding reductions are being used to pay for other purposes—not to shore up the Hospital Insurance Trust Fund."

Secretary Rubin's testimony is disturbing because it validates the presumption that the proposed reductions in Medicare are being made for reasons not dictated by necessity, including the possibility that the amount of proposed reductions might have been inflated for the specific purpose of accommodating a tax cut.

In that light we can only ask what manner of needless sacrifice, worth more than \$100 billion, are we asking of our senior citizens. Will most of it be accounted for by the \$71 billion in increased payments by beneficiaries? Or will it be attributed to the \$73.6 billion in reduced payments to hospitals, or the \$22.6 billion reduction in the allowable fee schedule for physicians treating Medicare patients?

It seems apparent to me that the majority has overreached and that a far more modest cutback of the Medicare Program would serve our purpose. Since Secretary Rubin says that more than \$100 billion is being siphoned off for other purposes, this would suggest that the \$270 billion reduction proposed should be in the order of \$150 billion at

the most. And the reduction could be even less if we take appropriate steps to deal with the annual loss of \$18 billion through waste, fraud, and abuse.

With respect to Medicaid, I am very distressed that the majority proposal would dismantle a 30-year-old commitment to the poor and disabled, and transfer a less binding responsibility to the States.

The result, it seems to me, can only be the creating of pockets of medical impoverishment between a few overburdened oases of generosity. Some States and regions simply will not be able to maintain the level of compassionate service on which their citizens have come to depend.

My own State of Rhode Island is in this latter category, partly because it has a larger proportion of elderly people using nursing home facilities. I would point out that our Republican Governor, Lincoln Almond, has voiced his opposition to the block-grant formula as it was proposed in the House.

Here, I would like to salute the efforts in the Finance Committee of my distinguished colleague, Senator CHAFEE, to modify the plan, particularly through restoring entitlement status to pregnant women, children under age 12, and the disabled. But notwithstanding these efforts, the basic proposal is still fatally flawed in my view.

As one of the original advocates of the Federal medical programs, I regret exceedingly that we have come to this juncture when in the name of economy, the gains of decades of progress in social responsibility are being jettisoned or badly compromised. The proposals should not become law, and I applaud and support the President's announced determination to veto them if they reach his desk in their present form.

#### JERUSALEM EMBASSY RELOCATION IMPLEMENTATION ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. PELL. Mr. President, on the question of the American Embassy in Jerusalem, I suggest that most of us here believe the same thing, that Jerusalem is the capital of Israel and that our Embassy belongs there one day. Where some of us disagree, however, is whether or not the President has the right to decide when. I do not think the Congress has the right or the obligation or the responsibility to micromanage the decision. We all agree it should move. How it should move and when it should move, that I really think should be left to our President.

All Americans are aware, too, of the respect and deeply seated, emotional attachment that Israelis—indeed all Jews—have for Jerusalem. I would add the same emotions and attachments apply to Moslems and Christians, and I think all of us appreciate the care and effort that Israel has made to make Je-

rusalem accessible to adherents of all faiths. For these reasons, I find it difficult to fathom a final settlement for the Middle East that does not declare, once and for all, that Jerusalem is, and shall forever remain, Israel's undivided capital.

The administration has suggested that by adopting this legislation, Congress would be prejudging the outcome of the Israeli-Palestinian talks, and in doing this, we might undermine our own traditional place as the honest broker and cast the peace process into disarray.

Mr. President, I believe we must take due acknowledgement of the administration's strong and forceful views about this bill. When officials from the administration suggest, as they have in recent days, that adopting this legislation could interrupt—or indeed kill—the peace process, I think we must take those suggestions seriously. When the same officials predict that adopting this legislation could lead to an explosion of passions in the West Bank and Gaza, we cannot take those predictions lightly. When these officials say that passing the bill could mean that people, whether they are Israelis, Palestinians, Jordanians, or U.S. diplomats, could lose their lives, we have a solemn obligation to be absolutely sure of what we do.

I am not convinced that the arguments, both pro and con, have been given a chance to be aired properly. The Senate is on the verge of making an extraordinary decision without even having had the benefit of one hearing on the Senate side, at least, devoted to the issue.

Against all these concerns, most of which I share, we must balance some fundamental truths. First among these is the fact that Israel is the only country in the world where the United States does not have its Embassy in the functioning capital. With the Israeli Government based in Jerusalem, having our Embassy in Tel Aviv has made it difficult to maintain our official contacts with the Israeli Government. Frankly, it has also stigmatized, indeed cheapened, our relationship with Israel. Moving our Embassy will at least settle once and for all what many of us know to be true—that Jerusalem is truly the capital of Israel.

Second, by requiring the President to move our Embassy, the United States will once and for all dispel whatever unrealistic hopes remain that Jerusalem will somehow become the capital of a Palestinian State.

Finally, no one, including the Palestinians, can really contest Israeli sovereignty over West Jerusalem. If this bill passes and is implemented, our Embassy would clearly be moved there, not to East Jerusalem.

I acknowledge, Mr. President, that I opposed this bill when it was introduced in an earlier form. Since then, it has been reintroduced with a significant change in text which has given a more flexible approach than existed

earlier. I still believe more is needed, and for that reason, I tend to support amending it to address some of President Clintons additional concerns. If we moderate this bill sufficiently, then I am hopeful that we can arrive at a version the President could sign and implement. If we do not, then there is the risk that the President might feel forced to veto it.

I do believe in my heart, however, that Jerusalem is truly and rightfully the capital of Israel. Once that premise is accepted, there can be no other choice but to move our Embassy there, whether it be now or in the near future. I therefore hope we can arrive at more flexible, consensus-based language that will enable everyone—the Senate, the administration, the Jewish-American community, the American people at large—to support this bill.

To repeat, the important thing here is that eventually it be moved, but specifying the day, the hour, the minute, or the week or the month even is not up to Congress, it is up to the Executive to make that decision.

I yield the floor.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from New Hampshire.

Mr. SMITH. Mr. President, I rise in very strong support of the resolution before us to provide for the relocation of the United States Embassy in Israel to Jerusalem where it rightfully belongs and has belonged. This is something that I feel very strongly about and of which I am proud to be an original cosponsor when it was introduced by the distinguished majority leader, Senator DOLE.

As Congress and the executive branch grapple with the various issues of national policy, oftentimes we tend to overlook what is most compelling and what is most fundamental in terms of right and wrong. Despite the best of intentions, the best of motives, by all parties on both sides, occasionally we seem to lose sight of the forest for the trees. When this happens, we owe it to ourselves, as a legislative body, but also to our constituents and, frankly, to the very issue of morality itself, to make amends, to do the right thing, to remedy a wrong. Today, with this legislation, we have that historic opportunity; that is, recognizing, by putting our Embassy there, that Jerusalem is the rightful capital of the State of Israel.

Mr. President, Jerusalem is the eternal capital of the State of Israel. It has been and, in my opinion, forever will be a shining symbol of faith, of inspiration and tradition, not only to the Jewish people but Christians and Moslems as well. No other place on Earth holds such a unique and rich history as this holiest of holy cities, and no other place in all the world can reasonably be considered the capital of Israel.

I think, in the legislation before us, we see in our findings a sampling of many of the reasons, which are really

quite obvious. But to recite a few of them, and I know they have been stated before, I do not think it hurts to re-inforce the importance of these findings:

No. 1, that each sovereign nation under international law and custom has the right to designate its own capital. Israel has done that. Since 1950, the city of Jerusalem has been the capital of the State of Israel. The city of Jerusalem is the seat of Israel's President, Parliament, supreme court, and the site of numerous Government ministries and social and cultural institutions.

Jerusalem is the spiritual center of Judaism. It is also considered a holy city by the members of other religious faiths as well.

Historically, from 1948 through 1967, Jerusalem was a divided city, and Israeli citizens of all faiths, as well as Jewish citizens of all states, were denied access to holy sites in the area controlled by Jordan. But in 1967, the city of Jerusalem was reunited during the conflict known as the Six Day War.

Since 1967, Jerusalem has been a united city administered by Israel, and persons of all religious faiths have been guaranteed full access to holy sites within that city by Israel.

In March 1995, 93 Members of the U.S. Senate signed a letter to Secretary of State Warren Christopher encouraging planning to begin now for relocation of the U.S. Embassy in the city of Jerusalem. Well, now is the time, Mr. President, to make that happen. The United States maintains its Embassy in the functioning capital of every country, except in the case of this, one of our most loyal allies and strategic allies, the State of Israel.

In 1996, the State of Israel will celebrate the 3,000th anniversary of the Jewish presence in Jerusalem since King David's entry. I think the facts, Mr. President, in this bill speak for themselves, and I certainly commend its authors—especially Senator DOLE—for pointing out those facts. But it is troubling that the U.S. policy with respect to the status of Jerusalem has been less than clear.

Reasonable people can disagree on the best means to achieve peace in the Middle East, but that is another issue. That is not the same issue, Mr. President. On the question of Jerusalem, there is only one inescapable conclusion: It is now, has been in the past, and forever will be and should be the capital of Israel. That is the plain and simply truth.

The United States maintains diplomatic relations with over 180 nations and, of these, as indicated in the findings of the bill, Israel is the only nation in which our Embassy is not located in the functioning capital. We say Tel Aviv, but we do not have the right to say Tel Aviv. Israel has the right to choose its capital; it has done so, and we should honor that. How do we justify anything else? How do we explain this to our friends in Israel,

who have endured such hardship and remained true to the principles of democracy throughout the years? The answer is that there is no justification for not doing it. This is a terrible oversight, and it should be corrected.

The legislation offered by the majority leader does correct this wrong. It initiates the long overdue process of moving the U.S. Embassy to Jerusalem but more importantly, Mr. President, moving it to Jerusalem by a date certain—May 31, 1999.

I understand that the administration, unfortunately, opposes this legislation. I do not think their arguments have much merit—they do not have any merit, and they lose sight of the real issue. This is not about executive-legislative turf battles, Mr. President. It is about what is right and wrong. It is about the right of a sovereign nation to choose its capital and to have the United States and other countries of the world honor that by putting their embassies in that capital. It is about precedent, it is about history, it is about culture and recognition, and it is about changing a misguided policy. I say to my friends in the administration, correcting such an injustice and doing what is right is more important than perpetrating some inside-the-beltway turf war between the Congress and the executive branch. This is much bigger than that; it is much more important than that.

Jerusalem is the capital of Israel. The U.S. Embassy belongs in Jerusalem. I urge the adoption of this legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I ask unanimous consent to proceed in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### BALANCING THE BUDGET

Mr. GREGG. Mr. President, I heard earlier a discussion on this floor from a number of Members on the other side, specifically the Member from California and the Member from North Dakota about the effects of the coming debate or the implications of the coming debate on the matter of balancing the budget relative to tax policy.

First, I think it should be noted once again for the record that for the first time in 25 years this Congress, this Senate, is going to get the opportunity to take up the issue of balancing the budget. For the first time in 25 years there will be on the floor of this Senate a reconciliation resolution which, if passed by this Congress and agreed to